

CAPITAL IMPROVEMENT PROGRAM

SUMMARY

The county's Capital Improvement Program (CIP) includes construction, rehabilitation, and repair projects for numerous facilities and structures. Solid Waste Management and Transportation Division (road) projects are administered by the Department of Public Works (DPW). Architecture and Engineering Department (A&E) administers projects for all others, including Airports, Regional Parks, general fund departments, and Economic and Community Development (ECD). Table 1 provides a summary of all new proposed projects for 2005-06.

Table 1

SUMMARY OF 2005-06 RECOMMENDED NEW CIP PROJECTS					
CAPITAL PROJECT FUNDS:					
Architecture and Engineering (A&E)	# of Projects	General Fund Local Cost	Other Discretionary Funding	Non-Discretionary Funding	Total
General Fund - Local Cost	38	7,855,000	-	-	7,855,000
Discretionary Funding	1	-	25,000	-	25,000
Non-Discretionary Funding	1	-	-	350,000	350,000
Total New Projects (Fund CJV)	40	7,855,000	25,000	350,000	8,230,000
ADDITIONAL CAPITAL PROJECTS INCLUDED IN OTHER COUNTY FUNDS:					
Airports New Projects (Various Funds)	4	-	-	2,393,422	2,393,422
Airports New Projects (CSA 60-Apple Valley)	1	-	-	236,500	236,500
Regional Parks New Projects (Various Funds)	0	-	-	-	-
Total New Projects - A&E	45	7,855,000	25,000	2,979,922	10,859,922
Dept. of Public Works (DPW)					
Transportation (Various Funds)	11	0	0	3,084,000	3,084,000
Solid Waste Management (Various Funds)	34	0	0	17,868,755	17,868,755
Total New Projects - DPW	45	0	0	20,952,755	20,952,755
TOTAL RECOMMENDED NEW CIP PROJECTS	90	7,855,000	25,000	23,932,677	31,812,677

Details are provided in Exhibit A – 2005-06 Recommended Capital Improvement Program New Projects by Department and Exhibit B – 2005-06 Recommended Capital Improvement Program New Projects by Location.

Background

On October 28, 2004, county departments were requested to submit CIP requests for the 2005-06 budget. The County Administrative Office (CAO) received 144 requests from 18 departments with an estimated cost of \$178 million. Departments submitting more than one CIP request prioritized their requests. CIP requests were also submitted by Architecture and Engineering Department (A&E) and Facilities Management Department (FM) for general projects. While the Board of Supervisors approved additional one-time funding over the past several years to address deferred maintenance in county facilities, the number of projects submitted and the total dollar volume continues to be reflective of years of limited funding for capital improvements. A summary of all submittals by county departments is attached as Exhibit C – 2005-06 All Submittals by Location. New projects proposed for funding are highlighted.



Short-List Process

The CAO established the following goals in short-listing the CIP projects:

1. Review prior year CIP funding allocations for savings, priorities, and additional funding needs.
2. Identify potential funding sources for 2005-06 CIP budget.
3. Categorize projects to facilitate evaluation.
4. Identify department priorities.
5. Obtain Administrative Analyst and Deputy Administrative Officer review and short-list recommendations.
6. Identify and recommend funding for projects with funding sources outside the general fund.
7. Identify for consideration the most critical need projects with local cost (\$3.5 million was the 2005-06 initial budget target which was subsequently increased to \$7.855 million at the Board's request).
8. Review short-list with Board of Supervisors for additional input.

Review of Carryover Projects

A summary of the status of previously approved CIP projects still in progress is attached as Exhibit D – 2005-06 Carryover Projects, Exhibit E – 2005-06 Airport Carryover Projects, Exhibit F – 2005-06 Regional Parks Carryover Projects, Exhibit G – 2005-06 Transportation Carryover Projects, and Exhibit H – 2005-06 Solid Waste Management Carryover Projects. Table 2 provides a summary of all Carryover Projects.

Table 2

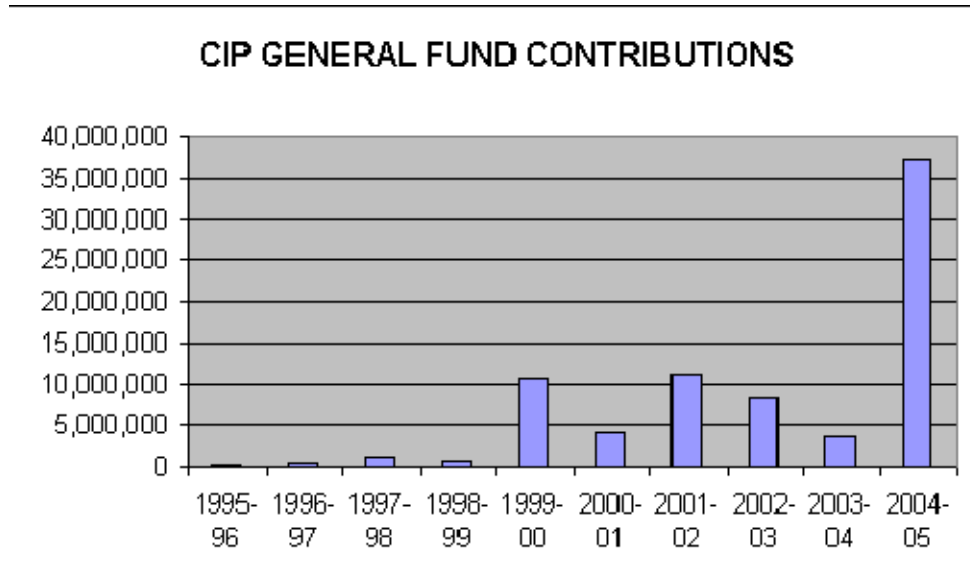
SUMMARY OF 2005-06 CARRYOVER BALANCES					
CAPITAL PROJECT FUNDS:					
Architecture and Engineering (A&E)	# of Projects	General Fund Local Cost	Other Discretionary Funding	Non-Discretionary Funding	Total
2004-05 Carryover Projects (Fund CJV)	137	63,541,603	13,921,350	47,591,082	125,054,035
2004-05 Carryover Projects (Fund CJS)	1	130,810	-	-	130,810
Total Carryover Projects (Fund CJV & CJS)	138	63,672,413	13,921,350	47,591,082	125,184,845
ADDITIONAL CAPITAL PROJECTS INCLUDED IN OTHER COUNTY FUNDS:					
Airports Carryover Projects (Various Funds)	44	-	-	29,313,114	29,313,114
Airports Carryover Projects (CSA 60-Apple Valley)	18	-	-	4,069,949	4,069,949
Regional Parks Carryover Projects (Various Funds)	17	-	-	7,628,000	7,628,000
Total Carryover Projects - A&E	217	63,672,413	13,921,350	88,602,145	166,195,908
Dept. of Public Works (DPW)					
Transportation Carryover Projects (Various Funds)	66	-	-	47,237,725	47,237,725
Solid Waste Mgmt Carryover Projects (Various Funds)	16	-	-	2,278,460	2,278,460
Total Carryover Projects - DPW	45	-	-	49,516,185	49,516,185
TOTAL CARRYOVER PROJECTS	262	63,672,413	13,921,350	138,118,330	215,712,093



Potential Funding Sources for 2005-06

Table 3 shows CIP general fund contributions over the last ten years.

Table 3



The chart demonstrates the Board's commitment in the past five years to address the backlog of deferred maintenance projects for county buildings and infrastructure. The base budget allocation for CIP has been \$3.5 million annually with additional funding being allocated by the Board from county contingencies to replace aging HVAC systems, repair roofs, address infrastructure projects such as the Glen Helen water system, rehab elevators, upgrade fire alarm systems, reseal parking lots to extend their useful life and make improvements to the county's parks, libraries and museums. In 2004-05, the Board also allocated \$33.7 million from county contingencies for various one-time projects, authorized the acquisition of an office building to house county functions during the seismic retrofit and remodel of the Central Courthouse, and most recently approved the acquisition of the Adelanto Jail.

The initial 2005-06 local cost base budget allocation for CIP was also \$3.5 million. After initial meetings with Board offices, the Board requested staff recommend additional projects for one-time funding. The revised list of proposed projects increased the base budget allocation for general fund projects to \$7,855,000.

A&E anticipates the savings from completion of 30 general fund projects in 2004-05 to be \$37,123 [See Exhibit I – 2004-05 Completed Projects (Fund CJV)]. This balance will remain in the CIP budget and be available to address cost overruns in other projects, should any occur.

In addition, departments have identified other funding sources for a number of projects separate from the general fund target provided in the financing plan (e.g. Airports, ECD, department budgets, etc.).

CAO Administrative Review

CIP projects were categorized based on funding source:

1. General Fund – Local Cost subject to the base budget allocation for general fund CIP target
2. Other Discretionary Funding – The underlying funding source is from a general fund department or the Board of Supervisors has discretion over the funding source even if there are restrictions on how the dollars are spent. This category includes realignment (e.g. Behavioral Health), Justice Facility Reserve, Fines and Forfeitures, or special revenue funds and internal service funds such as Risk Management and Fleet Management.
3. Non-Discretionary Funding – Any funding source other than the general fund, special revenue, or internal service funds, and the Board has no discretion over the funding (e.g. Grants, Inmate Welfare Fund, ECD, ARMC, Courts and Library).

CIP projects were also categorized based on Project Type:

1. A – Americans with Disability Act
2. AC – Acquisition of Land/Buildings
3. C – New Construction
4. DM – Deferred Maintenance
5. I – Infrastructure
6. L – Leases
7. LS – Life/Health Safety
8. P – Paving
9. PL – Planning
10. R – Roofing
11. RA – Remodel/Alteration

The following process was utilized:

1. The CIP requests were reviewed and short-listed by CAO Administrative Analysts and Deputy Administrative Officers for each department/group.
2. A CIP Review Team, consisting of CAO, A&E and FM staff, evaluated the projects.
3. Legitimate projects with other funding sources were recommended for approval.
4. Facility assessments were performed to identify and prioritize specific ADA, roofing repair and pavement management projects. Proposed annual funding levels were developed: Roofing - \$400,000, Paving - \$500,000 and ADA - \$150,000 based on a base budget of \$3.5 million.
5. 32 projects in the amount of \$3.5 million were recommended for funding to Board of Supervisors offices. The Board requested staff propose additional projects for funding with one-time monies. Staff proposed 8 additional projects in the amount of \$4,355,000 for a new total general fund base budget of \$7,855,000. Annual funding levels were increased by \$1,522,000 for Roofing (\$1,007,000), Paving (\$1,115,000) and ADA (\$450,000) making it possible to fund projects in 2005-06 that would otherwise have been addressed in later years. The balance of additional funding in the amount of \$2,833,000 was allocated primarily to projects meeting the county's growing space requirements.
6. Heating, Ventilation and Air Conditioning (HVAC) projects, representing large capital expenditures, continue to be evaluated separately and funded through county contingencies. A mid-year agenda item update will be provided to the Board on previously approved projects as cost estimates and funding shortfall are fully determined.

A complete list of all proposed new projects by department is included in Exhibit A – 2005-06 Recommended Capital Improvement Program New Projects by Department, and by location in Exhibit B – 2005-06 Recommended Capital Improvement Program New Projects by Location.

Five-Year Capital Improvement Program Project List

In 2003, as part of the County Administrative Office's goal to improve long-range capital planning, county departments were requested to submit five-year projections for space needs and capital improvement projects.

A significant amount of data was gathered. The list represents a preliminary assessment of estimated project needs for the period 2004-05 through 2008-09 and is a valuable source of information to staff and the Board in proposing additional capital projects as one-time funding becomes available.

For the 2005-06 annual CIP process, departments were requested to refer to their Five-Year Capital Improvement Program plan when submitting requests for new CIP projects. Our office evaluated the Five-Year plan based on department 2005-06 submittals and noted numerous changes in department priorities that have evolved over the past two years. We plan to request additional information from departments on their long-range plans based on those changes.

Additionally, as noted previously, the Board of Supervisors has provided additional one-time funding for deferred maintenance/infrastructure projects that has accelerated implementation of the five-year plan. Details of all requests in the five-year plan are provided in Exhibit J – Five-Year Capital Improvement Program Project List. Projects that have been funded or are proposed for funding in 2005-06 have been highlighted. A revised five-year plan list will be prepared after receiving and evaluating department input and the impact of one-time funding on county long-range planning.